

NOTICE OF SALE

Department of Natural Resources & Conservation Timber Sale

The Gambler's Secret Timber Sale is located within Section 16, T12N-R13W and Section 16, T12N-R14W, on the State's Missoula Unit. Approximately 34,166 tons, consisting primarily of Douglas-fir, and lodgepole pine sawlogs, is offered for sale.

Sealed bids will be opened at the Department of Natural Resources & Conservation, 2705 Spurgin Road, Missoula, Montana on **July 22, 2008 at 2:00 p.m.** Bids may be hand delivered or mailed and will be accepted any time prior to the bid opening. **DNRC recommends that bidders contact the Trust Land Management Division (406-542-4300) prior to the bid opening to ensure that your bid has been received.** Bids must be accompanied by a deposit of **\$30,423.00**, representing 5% of the minimum bid value of the sale in cashier's check, certified check, bank money order or bank draft to be applied to the stumpage for the successful bidder. Bid bonds will be accepted and, for the successful bidder, will be closed upon execution of the Timber Sale Contract and Timber Sale Bond.

The sale will be awarded to the highest responsible bidder. If the successful bidder is unable to execute the contract within 45 calendar days from the date the sale is awarded, the bid deposit will be retained by the Department as liquidated damages. The right is reserved to reject any or all bids.

Prospective bidders can obtain the sale prospectus, sale contract and bid forms from the Department of Natural Resources & Conservation, Trust Land Management Division, in Missoula (406-542-4300), the Southwestern Land Office in Missoula (406-542-4200), or the Missoula Unit Office (406-542-5810).

Visit our website at <http://www.dnrc.mt.gov> Online Services for upcoming sales and bid results

/s/ David A. Groeschl, Chief
Forest Management Bureau
Trust Land Mgmt Division

Publication Dates: June 19, 26, July 3, 10, 2008

TIMBER SALE PROSPECTUS
MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Timber Sale Name: Gambler's Secret			
Timber Sale Location: Section 16, T12N-R13W, Section 16, T12N-R14W			
For specific sale information, contact:			
Phone	406-542-5810	Richard Stocker	Unit Office: Missoula
For copies of the Timber Sale Contract and bid forms, contact:			
Phone	406-542-4300	Forest Management Bureau	DNRC Missoula Office
Phone	406-542-4201	Southwestern Land Office	Phone 406-542-4200

General Bidding Information

1. Bids must be submitted on standard Department of Natural Resources & Conservation (Dept) bid forms.
2. Timber will be sold to the highest responsible bidder; however, the Dept reserves the right to reject any or all bids.
3. The Dept recommends that bidders contact the Forest Management Bureau, Trust Land Management Division (406-542-4300) prior to the bid opening to ensure that your bid has been received.
4. A **Bid Guarantee** must accompany all bids and must be in the form of cash, cashiers check, certified check, money order, bank draft, surety bond or irrevocable letter of credit.
5. The Purchaser must submit a **Performance Bond** to the Dept within a maximum of 45 days of notification of sale award. The bond amount will be, at a minimum, 20% of the total bid value of the sale. The performance bond may be in the form of cash, irrevocable letter of credit, surety bond or certificate of deposit. The performance bond must be maintained separately from other payments for the duration of the sale contract. See the Timber Sale Contract for additional information.
6. The Purchaser must submit an **Advance Stumpage Payment** prior to cutting any timber. The amount of the advance stumpage payment will be based on the expected harvest rate and the bid value of the stumpage. The advance stumpage payment may be in the form of cash, irrevocable letter of credit, payment bond or certificate of deposit.
7. At rates specified in the Contract, the Purchaser will pay **Forest Improvement Fees** on all sawlog volume. All applicable **Road Use and/or Maintenance fees** will also be paid by the Purchaser in addition to stumpage payments.
8. This sale is being sold based on the gross weight of all species. Minimum price and bid price are on a per ton basis. Unless specified, the price applies to all species, green and dead. Price may vary by product. Billing will be based on gross weight. A weight ticket from a certified scale is required for each load hauled, regardless of product type.
9. The Dept has estimated the net scale merchantable sawlog volume to be available for purchase under this contract. Other products may be part of this sale. All delivered wood will be weighed and billed at per ton bid rates. The Dept recognizes that a percentage of delivered wood may not meet the log manufacturing and recovery standards of the timber sale contract. The actual percentage will vary based on the log manufacturing and recovery specifications of the purchaser and tree conditions in the sale area. The actual delivered weight may vary, resulting in an overrun or under-run of the estimated tonnage. The Dept strongly recommends that bidders evaluate these effects before bidding.
10. The Dept does not conduct detailed road appraisals. All appraised costs are gross estimates or averages, provided only to show the relative amount of work required, and not the true market value. The Dept strongly recommends that bidders make their own estimates based on contract requirements. Cost estimates provided are not guaranteed.
11. Bidders are encouraged to examine the complete Timber Sale Package and Sale Area prior to bidding. Additional information is available at the phone numbers shown above. **A tour of the sale is planned for July 11, 2008 at 9:00 a.m. Plan on meeting at the Chalet Bearmouth. Contact Rich Stocker at (406) 542-5810 if you plan on attending the tour.**
12. Estimates for sale volume, species percents, defect, product class, etc. provided in this prospectus and volume estimates listed in the sale contract are not guaranteed.
13. This prospectus is provided for information purposes only. If the prospectus is in error or contradicts the Timber Sale Contract, the contract governs.

TABLE 1: Summary of Sale Specifications

Sale Data			
676	Area of harvest units (acres)	2.7	Miles of road construction
November 15, 2011	Contract ending date	16.1	Miles of road reconstruction
14%	Cable logging required (% of volume)	2.4	Miles of road reclamation or abandonment
Operating Season: July 1 – February 1			
Charges and Appraised Costs			
\$30,423.00	Bid Guarantee (total \$)		
20% of bid value	Performance Bond		
\$0	Collected Road Maintenance And Road Use Charges (\$ per ton)		
\$3.29	Collected Forest Improvement Fee (\$ per ton)		
\$18,734.36	Quarterly Installment of Forest Improvement Payments (\$ per payment, first 5 payments)		
\$135,369	Road Development Costs - Appraised Purchaser-Do (total \$)		
\$0	Road Maintenance Costs - Appraised Purchaser-Do (\$ per ton); included in road development costs		
\$0	Slash Disposal Costs - Appraised Purchaser-Do (\$ per ton)		
\$0	Timber Stand Improvement Costs - Appraised Purchaser-Do (\$ per ton)		

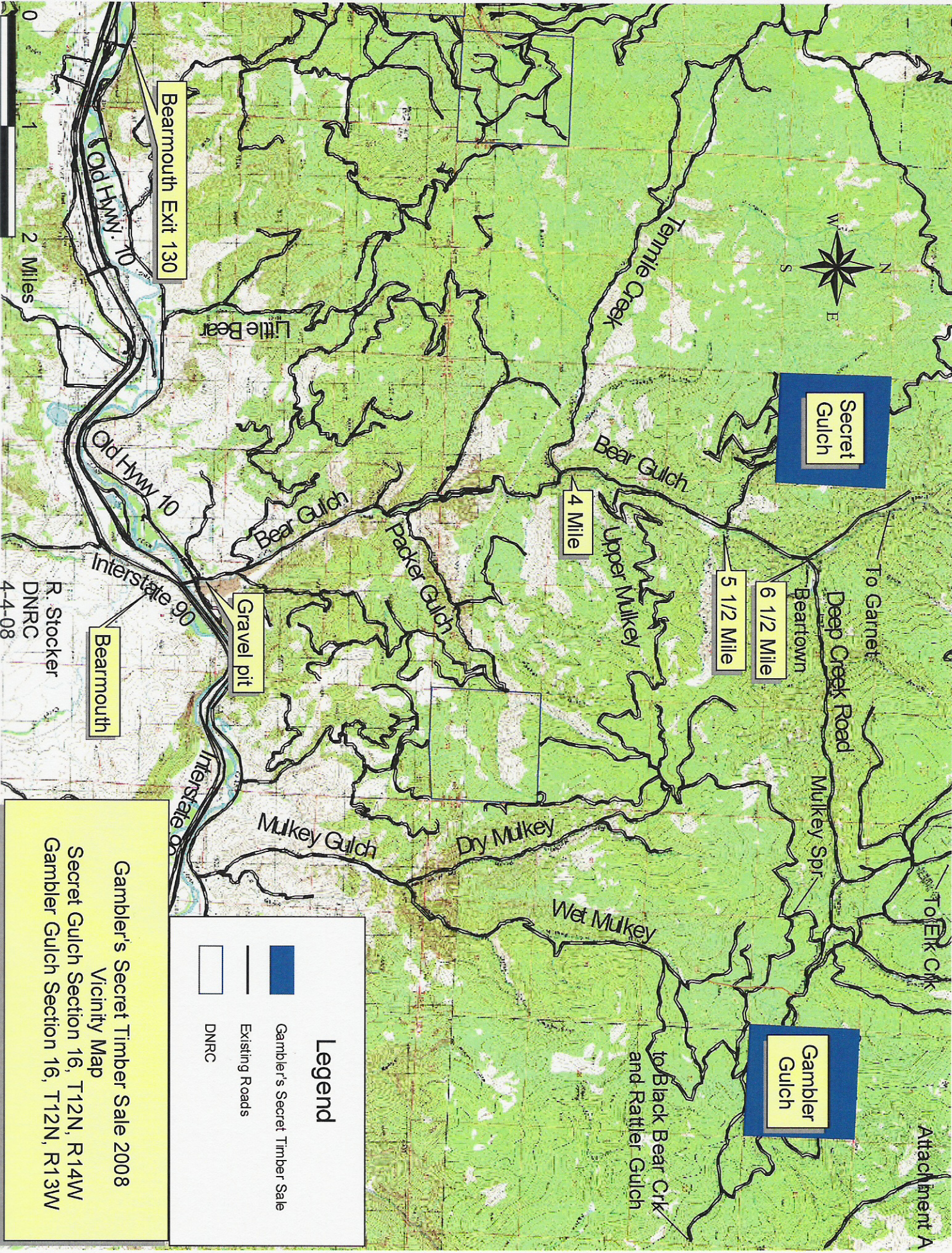
TABLE 2: Timber Cruise Data and Minimum Bids

SPECIES	PP	DF	WL	LP	ES	SAF	CE	Dead/Dry	TOTAL or AVE
Minimum Acceptable Bid									\$17.81/ton
Pounds per cubic foot		61.70		57.00	57.00	55		40.00	59.84
Contract Tons		27,461		5,374	251	477		603	34,166
Gross MBF (Scribner 6" top DIB)		4,356.3		804.5	47.4	89.0		219.0	5,516.4
%Cull and Breakage		9.0		10.4	5.5	18		38.2	10.5
Net MBF		3,965		721	45	73		135	4,939
Average logs per MBF		21.1		24.5	14.4	25.8		22.4	21.7
Average DBH		11.72		9.50	14.38	10.55		10.63	11.20
Average tons per acre harvested									49
Average MBF cut per acre on the timber sale									7,297
Range of cut trees per acre based on unit cruise									106
Calculated Sampling Error (<i>net</i> MBF): 10.4 %									
The total cruised volume will fall between 4,425 and 5,453 thousand net board feet in 9 out of 10 cruises									
Tons Per Thousand Board Feet Conversion Factor = 34,166 tons per 4,939 net MBF = 6.92 tons per MBF									

TABLE 3: Unit Harvest Volume and Harvest Schedule					
Unit	Section	Acres	Estimated Tons	Estimated Net MBF	Removal Date
GT	Gambler	537	26,234	3,764	9/1/2011
SC1	Secret	57	3,179	486	2/28/2011
SC2	Secret	10	570	87	2/28/2011
SC3	Secret	17	966	148	2/28/2011
ST1	Secret	12	717	101	9/1/2011
ST2	Secret	30	1,703	240	9/1/2011
ST3	Secret	12	688	97	9/1/2011
BLM ROW	Sec 9, T12N-R14W	1	109	16	9/1/2010

Additional Sale Information:

- 1. Non-Sawlog Removal:** The Purchaser may elect to remove non-sawlog material at the rate of \$2.00/ton if approved by the Forest Officer.
- 2. Gambler Gulch Harvest:** Within 232 acres of the Gambler Gulch section sub-merchantable trees shall be protected (see Attachment A). Log landing areas may be limited in size and logs will need to be processed and removed as they are manufactured.
- 3. Return Skid slash on 591 acres of Tractor harvest:** The Purchaser will be required to leave slash within harvest units or return skid 95% of slash back into the unit, evenly distributed and placed on skid trails. Slash shall be trampled and or lopped to within 18" or less of the ground surface.
- 4. Lopping required on 85 acres of Skyline Harvest:** The Purchaser will be required to lop slash to within 18" or less of the ground surface within cable harvest units.
- 5. Optional Road Construction:** In lieu of constructing the NE Upper Road (2,110') within the Secret Gulch Section 16, T12N, R14W; the Purchaser may elect to use an excaline cable yarder to harvest forest products on approximately 15 acres within Unit C1 (portion of unit above NE Lower Road).
- 6. Traffic Control:** Traffic control shall be required for harvest operations adjacent to open Public roads (Deep Creek Road, Gambler Gulch road and Gambler Main Road). Warning signs shall be utilized while road construction, harvest operations and hauling activities are occurring. Other measures to mitigate traffic, insure public safety and not unreasonably restrict public access may be required as directed by the Forest Officer.



Secret
Gulch

Gambler
Gulch

To Garnet

Deep Creek Road

Beartown

Mulkey Spr.

To Elk Crk

Attachment A

Bear Gulch

4 Mile

5 1/2 Mile

6 1/2 Mile

Upper Mulkey

Packer Gulch

Bear Gulch

Gravel pit

Mulkey Gulch

Dry Mulkey

Wet Mulkey

to Black Bear Crk
and Rattler Gulch

Little Bear

Bearmouth Exit 130

Bearmouth

Interstate 90

Interstate 90

Old Hwy 10

Old Hwy 10

Legend

- Gambler's Secret Timber Sale
- Existing Roads
- DNRC

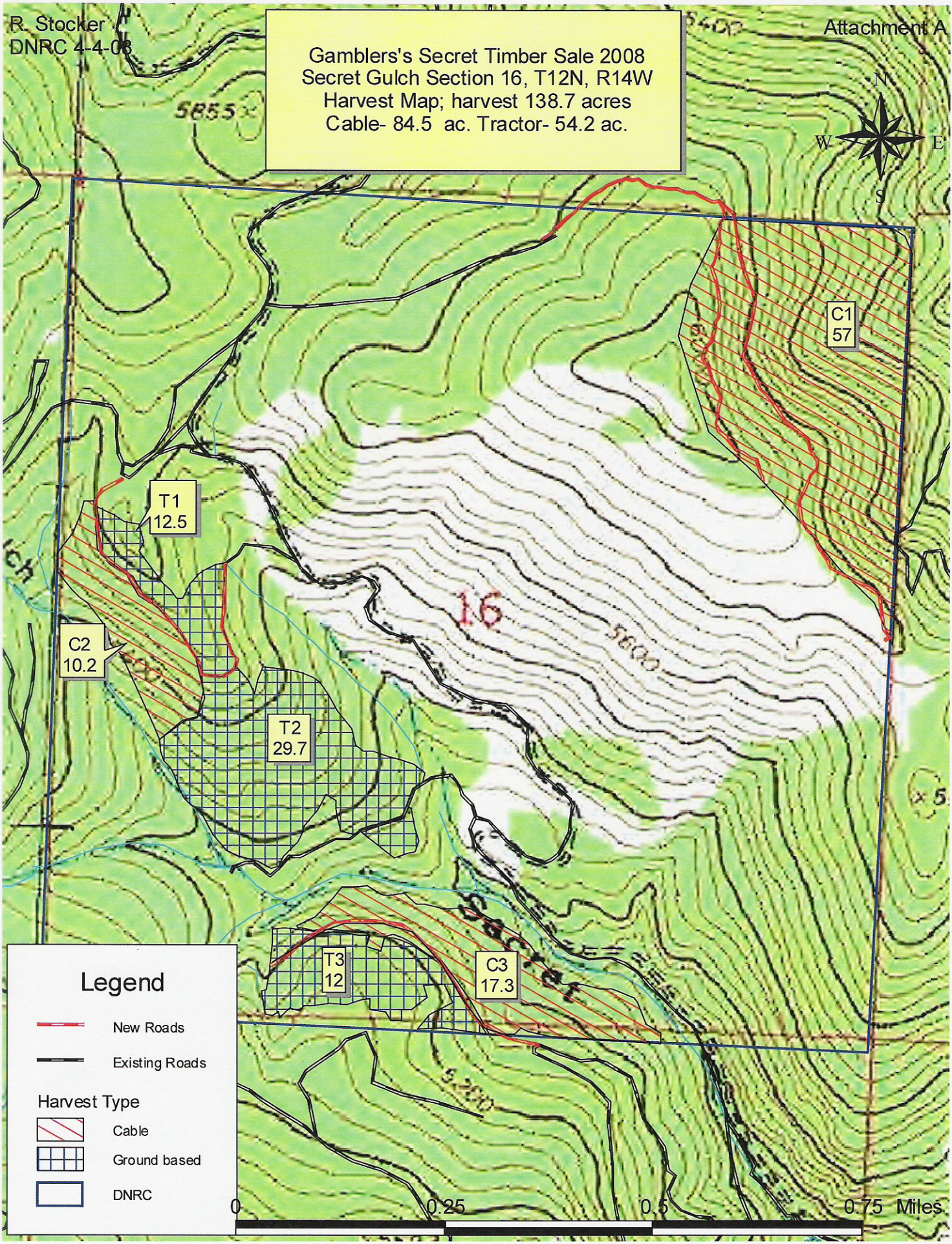
Gambler's Secret Timber Sale 2008

Vicinity Map

Secret Gulch Section 16, T12N, R14W
Gambler Gulch Section 16, T12N, R13W

R. Stocker
DNRC
4-4-08

Gamblers's Secret Timber Sale 2008
Secret Gulch Section 16, T12N, R14W
Harvest Map; harvest 138.7 acres
Cable- 84.5 ac. Tractor- 54.2 ac.

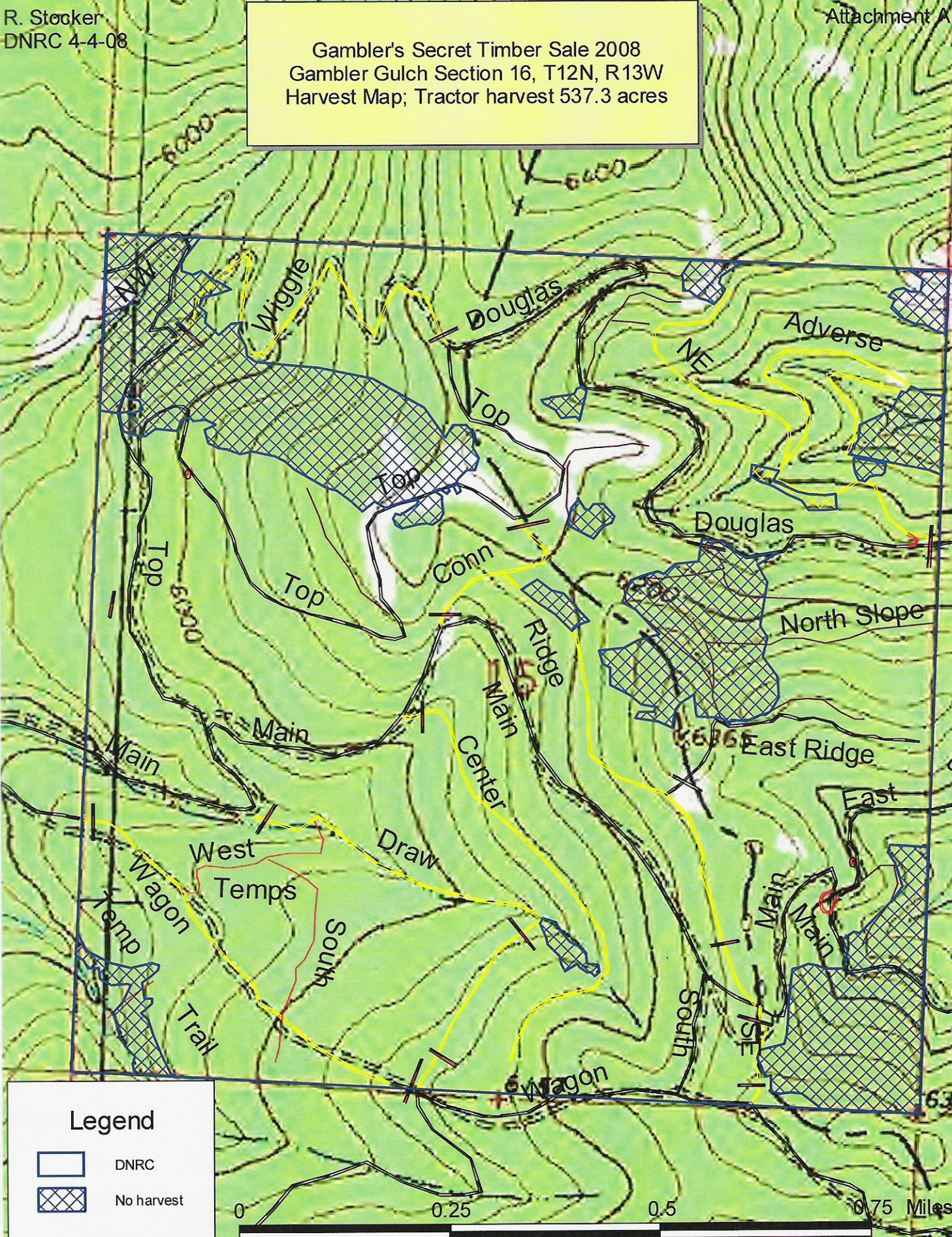


Legend

- New Roads
- Existing Roads
- Harvest Type
 - Cable
 - Ground based
 - DNRC

0 0.25 0.5 0.75 Miles

Gambler's Secret Timber Sale 2008
Gambler Gulch Section 16, T12N, R13W
Harvest Map; Tractor harvest 537.3 acres



Gambler's Secret Timber Sale 2008
Secret Gulch Section 16, T12N, R14W
Road Map for Attachment B

Attachment A



BLM

Stimson

BLM

BLM

Stimson






DNRC

Stimson

PVT

5 1/2 M

Legend

-  Existing Roads
-  New Roads
-  DNRC
- Harvest Type**
 -  Cable
 -  Ground based

0.25

0.5

0.75

1.25 Miles

R. Stocker
DNRC 4-4-08

Copy To

Gambler's Secret Timber Sale 2008
Gambler Gulch Section 16, T12N, R13W
Road Map for Attachment B

Legend

 Tank trap

 Brushed-in

 Closed

 New

 Obstruct

 Open

 Temp

 Unedited Open

 Gate

 DNRC

